



April 24, 2014

Nunavut Water Board
PO Box 119
Gjoa Haven NU
X0B 1J0

Attention: Phyllis Beaulieu, Manager of Licencing
David Hohnstein, Director, Technical Services

Re: Application for Renewal and Amendment to Type "B" Water Licence 8BC-MRY1314

Dear Ms. Beaulieu and Mr. Hohnstein,

Baffinland Iron Mines Corporation ("**Baffinland**") is applying for renewal and amendment to Type "B" Water Licence 8BC-MRY1314 in order to proceed with the construction of the Early Revenue Phase (ERP) facilities.

Under its Type "A" Water Licence 2AM-MRY1325 Baffinland is authorized to draw from Philips Creek during the summer period and from km 32 during the winter period, 68.5 m³ of water per day. The construction activities for the ERP necessitate an additional volume of 299 m³/day of water for combined domestic and construction use.

The facilities and infrastructure proposed to be constructed for the ERP were considered by the Nunavut Planning Commission ("**NPC**") and by the Nunavut Impact Review Board ("**NIRB**") as part of the Early Revenue Phase for the Mary River NIRB Project Certificate review undertaken from June 2013 to January 2014. Approval by the Minister of the amendment to Project Certificate No. 005 is expected by April 30, 2014 and Baffinland intends to proceed with construction of the ERP infrastructure.

As assessed and reviewed during the NIRB review process, the planned construction activities of the ERP will have minimal additional effects on Nunavut waters and will not generate significant increases in waste, over what was assessed and approved under NIRB Project Certificate No. 005 and the NWB Type A Water Licence 2AM-MRY 1325.

The application package for this Renewal and Amendment to Type "B" Water Licence 8BC-MRY1314 includes:

- **Appendix 1:** Type "B" Water Licence Renewal and Amendment Application
- **Appendix 2:** NPC correspondence to Aboriginal Affairs and Northern Development Canada ("**AANDC**") Minister, Re: Recommendation to Amend the North Baffin Regional Land Use Plan to include a New Transportation Corridor for the Baffinland Iron Mine Corporation's Early Revenue Phase Proposal, April 14, 2014

- **Appendix 3:** Project Description and Scope of the Amended Type “B” Water Licence
- **Appendix 4:** Knight Piésold, Hydrological Assessment of Phillips Creek and km 32 Lake Watersheds
- **Appendix 5:** Drawings showing the ERP Layout and details of the Polishing Waste Stabilization Pond
- **Appendix 6:** 2014 Work Plan
- **Appendix 7:** Box 22 – Financial Information
- **Appendix 8:** Hatch, Abandonment and Reclamation of Proposed Type B Water Licence Activities

The 2014 Work Plan (presented in Appendix 6) accounts for the infrastructure that will be constructed for the ERP at Milne Port during the coming year. As per the requirements of Type “A” Licence 2AM-MRY1325, Baffinland has prepared an incremental estimate for closure and reclamation activities associated with this 2014 Work Plan. The closure and reclamation costs associated with the construction camp required for this renewed/amended Type “B” Licence are included in this amount. It is proposed that security associated with a third polishing waste stabilization pond at Milne Port (if required for added contingency for peak flows of effluent) will be included in the 2015 Work Plan which is being developed jointly with the QIA and presented to all parties in November 2014. A preliminary estimate and associated abandonment and reclamation plan is provided in Appendix 8. It is proposed that the security agreed to would be held by the QIA as the activity would be on Inuit Owned Land.

As discussed, your earliest attention to this application would be appreciated in order to ensure that Baffinland can commence construction of the ERP facility upon receipt of the amendment to Project Certificate no. 005, expected by April 30, 2014. Accordingly, please contact me directly with any questions or further information the Nunavut Water Board requires in respect of this application. Note, fees relating to this application have been included within the hard copy submission in order to ensure timely receipt.

Yours truly,



Erik Madsen

Vice-President Sustainable Development, Health, Safety & Environment

Cc: Mr. Ryan Barry, Executive Director, NIRB
Mr. Steven Williamson Bathory, Qikiqtani Inuit Association

References:

- 1) Baffinland Iron Mines Inc., Addendum to Final Impact Assessment for the Mary River Project, June 2013
- 2) Baffinland Iron Mines Inc., Final Impact Assessment for the Mary River Project, February 2012

- 3) Nunavut Impact Review Board – Project Certificate No. 005
- 4) Nunavut Water Board – Type “A” Licence 2AM-MRY1325
- 5) Nunavut Impact Review Board – Public Hearing Report – Mary River Project Early Revenue Phase – Baffinland iron Mines Corporation, NIRB File No. 08MN053, March 2014
- 6) Nunavut Planning Commission – Re: Recommendation to Amend the North Baffin Regional Land Use Plan to include a New Transportation Corridor for the Baffinland Iron Mine Corporation’s Early Revenue Phase Proposal, 14 April 2014
- 7) Hatch – 2014 Marginal Reclamation and Closure Security Estimate, H349000-1000-07-126-0017, October 31, 2013